



~~SECRET~~

GENERAL INTELLIGENCE AGENCY

25X1A

- a. Inactive wells; amount of piping installed in each well. (7)
- b. Wells where operating costs exceed the value of crude oil produced, i.e., those yielding less than one ton per 24 hours. (8)
- c. Wells producing more than one ton per 24 hours.

25X1A

(1) [REDACTED] Comment: To the best of our knowledge, Sidorenko is a new figure in the SMV. It is possible that he is the successor to P.I. Chernomorsky, who was mentioned in [REDACTED] as SMV General Director.

25X1A (2) [REDACTED] Comment: This figure represents a paper deficit which has accumulated as a result of Soviet accounting, which does not take into account SMV profit from petroleum exports to Western Germany and the satellite states. The SMV never receives total reimbursement for petroleum products shipped to Western Germany; sometimes no payment at all is received for these shipments. Normally the SMV receives compensation goods worth about three-fifths the value of petroleum products which it delivers to Hungary and Czechoslovakia. The balance i.e., the remaining two-fifths of this debt is paid in compensation goods shipped directly from the Satellites to the Soviet Union and Eastern Germany. Although Moscow maintains that the SMV is operating at a loss, it has of necessity authorized the Soviet Military Bank to extend minimal credits merely to keep the SMV in business.

25X1A (3) [REDACTED] Comment: The Soviets may have difficulty finding purchasers for this equipment, since most of it was specifically designed for the oil industry and is not readily adaptable to other industrial uses.

25X1A (4) [REDACTED] Comment. The USIA firm in charge of collecting this scrap is probably Eisen- und Stahl A.G.

25X1A (5) [REDACTED] Comment: The Austrian Federal Railways are anxious to have these railroad cars released and are putting pressure on the Soviets to unload this pipe as soon as possible. In view of Sidorenko's present economy program, however, it seems likely that the SMV will return this pipe to the manufacturer.

25X1A (6) [REDACTED] Comment: It is believed that the R.A.G. and Van Sickle Oil Company fields are not affected by this order.

25X1A (7) [REDACTED] Comment: Following are estimated number of inactive wells: IXAG, 49; DEG I and II, 100; E.P.G., 25. There are no inactive wells at Matzen or Muchlberg.

25X1A (8) [REDACTED] Comment: It is rumored that IXAG, DEG I and II, and Maustrenk have several wells which yield less than one ton of oil per 24 hours.

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